



Investment Banking Foundations Program



wallstreetoasis.com



We leverage insights from our **870,000+ member** community from the past **16 years** to provide the **most relevant training** for investment banking professionals.



The largest online community focused on careers in finance

200,000,000+ Visits



Thousands of IB professionals use our training material

100,000+ Enrolled




Cherry-picked instructors from top investment banks

45+ BB, MM and EB Faculty

Professionals From All the Top Banks Use WSO

**Goldman
Sachs**

J.P.Morgan

Bank of America 

citi[®]

LAZARD

Morgan Stanley



HW Harris Williams

 **MACQUARIE**

NOMURA

BMO 

 **Rothschild & Co**

MOELIS

PiperJaffray[®]

EVERCORE

 **Scotiabank**[®]

Investment Banking Recruiting Challenges

Unproven talent + out-of-touch instructors + old training methods = **weak analyst classes**



Recruiting interns
18 – 32 months
before FT start date



Incredibly difficult to find
trainers with the **right**
skills and desire to teach



Shorter attention spans
among new recruits **require**
gamification of training

Extensive IB Training Program

Standardized financial modeling training **is not enough.**



Intensive, realistic cases
with detailed models built
on real-life companies



Developed and delivered by **top
IB faculty** with **deal experience**
relevant to your niche



Courses tailored for both
traditional and **non-
traditional hires**

Why Wall Street Oasis?

We leverage the **largest finance community** to bring together the **best faculty to develop and deliver world-class IB training.**



Cherry-picked instructors
from **top banks** (20,000+
candidate pool)



Gamified approach to
increase engagement
with the new hires



Iterative feedback from **IB
community (50,000+)**, and
**senior IB professionals
(423+)** on staff

Training Customized to Your Bank

We ensure our training **meets your specific needs.**



Integrate your current training practices (if any).
Live virtual, in-office, or full self-study online options



Our faculty **can train using your models**, pitch decks, and other templates



Programs **customizable** to the background of trainees

Wall Street Oasis' Investment Banking Faculty

Below are some of our specialized IB faculty who help us continuously develop and deliver best-in-class IB training.



Craig Thompson

Investment Banking Instructor

Craig was an Investment Banking Associate at Goldman Sachs. He then worked as a Private Equity Associate at KKR. Craig has an MBA from The Wharton School and a Bachelor's Degree in Mathematics from Middlebury College.



Tim Schlidt

Investment Banking Instructor

Tim was an Investment Banking Analyst at Greenhill & Co & JP Morgan. He then became a Private Equity Associate with Madison Dearborn Partners. Tim has a Bachelors of Business Administration from University of Wisconsin-Madison.



Levi Malik

Investment Banking Instructor

Levi was an Investment Banking Analyst at Morgan Stanley. He then worked as Equity Associate at Hellman & Friedman. Levi has an MBA from Stanford University Graduate School of Business, and a Bachelor of Arts from Princeton University.



Josh Pupkin

Investment Banking Instructor

Josh was an Investment Banking Analyst at Barclays. He then worked as a Private Equity Associate at Neuberger Berman. Josh has an MBA from Duke University - The Fuqua School of Business. Currently, Josh is a VP at AlixPartners, a financial advisory and global consulting firm focusing on turnarounds and restructuring.

Wall Street Oasis' Investment Banking Faculty

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Emma Teach
Investment Banking Instructor

Emma was an Investment Banking Analyst at Citi before moving to L Catterton as a Private Equity Associate. Emma is currently doing an MBA from the Harvard Business School, and has a Bachelor of Arts, Economics from Hamilton College.



Nicolas Yepes
Investment Banking Instructor

Nicolas was an Investment Banking Associate at Scotiabank, and an Investment Banking Analyst at Morgan Stanley. He then became a VP at Creation Investments Capital Management. Nicholas has an MBA from Chicago Booth, and a Bachelor of Arts from Hamilton College.



Pedro Silva
Investment Banking Instructor

Pedro previously worked as an Investment Banking Analyst at JP Morgan for over two years and as a Vice President at EIG Global Energy Partners for five years. He holds a Bachelor of Arts in Economics from Rice University.



Jake Goldstein
Investment Banking Instructor

Jake worked at Bank of America as an Investment Banking Analyst before transitioning to Melvin Capital as an Analyst. He currently is the CEO of the startup he founded, Bold Numbers, Inc. He holds a Bachelor of Science from Yale University.

Appendix II

Sample Program Overview

Investment Banking Foundations - Program Overview

Prep work



- Accounting Basics
- Excel Basics
- PowerPoint Basics
- Valuation Theory

Productivity



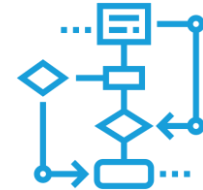
- Excel Modeling
- Excel Capstone
- Advanced PowerPoint
- Benchmarking

Basics



- Financial Statement Modeling (FSM)
- DCF Modeling
- Spreading Comps

Mastery



- M&A Modeling
- LBO Model
- Advanced LBO Modeling
- Advanced Accounting
- Industry Specific Training

Investment Banking Foundations - Program Overview

Prep work

Productivity

Basic

Mastery

Prep work **prior to training** helps ensure baseline knowledge to access the curriculum.

Accounting Basics

The Income Statement

- Revenue, Revenue Recognition, COGS & Gross Profit, SGA, and R&D
- D&A, Stock-Based Comp & Other Opex
- NI, EBIT, EBITDA & Income Statement

The Balance Sheet

- Introduction to Assets
- Introduction to Liabilities & Equity

The Cash Flow Statement

- Cash From Operations
- Cash From Investing
- Cash From Financing

Financial Statement Analysis, Working Capital & Other Considerations

- Non-GAAP measures, and Earning Management

Excel Basics

Navigation

- Grouping, and Hiding
- The Ribbon
- Formula Bar
- Worksheets, and View/Zoom
- Navigating Menus

Efficiency Foundation

- Grouping & Hiding
- Rows & Columns
- Fill Right & Down
- Paste Special
- Ctrl vs. Alt
- Quick Access Toolbar

Excel Shortcuts

- Downloadable Excel Shortcut Cheat Sheet

PowerPoint Basics

PowerPoint Interface

- PPT Toolbar
- Navigating View Modes
- Key Shortcuts

Objects & Lines

- Basic & Advanced Object Formatting
- Adjusting Text in Objects
- Insert & Adjust Lines
- Grouping & Layering Shapes
- Ninja Lines

PowerPoint Tables

- Insert Tables & Modifying Rows/Columns
- Shading/Adding Lines
- Formatting Text in Tables
- Advanced Formatting

Investment Banking Foundations - Program Overview

Prep work

Productivity

Basic

Mastery

Excel Modeling

Fundamentals Concepts

- Shortcuts
- Hotkeys
- Hard-Coding Formulas

View & Print

- Show & Zoom
- Freeze and Split Panes
- Print and Page Layout

Math Functions

- Formulas
- Errors
- Advanced Math Functions
- Anchoring

Date & Text Functions

- Dates in Excel
- Dynamic Text

Excel Capstone

Lookup & Financial Functions

- Vlookup and Hlookup
- Index + Match and Data Validation

Scenarios & Data Tables

- Various Scenarios
- Setting up Data Tables
- Naming Cells and Formula Auditing

Sorting, Filtering & Pivot Tables

- Custom Sort and Horizontal Data Sets
- Various Filtering Options
- Visually Analysis Data with Pivot Tables

Excel Charts

- Inserting & Adjusting Charts
- Combo Charts
- Trendlines and Regression

Capstone Assignment

- Apply Concepts From The Training to Recreate Excel Tables & Charts

Advanced PowerPoint

Graphics

- Picture Formatting
- Custom Bullets

Diagrams

- Common Diagrams Used in PE

Graphs

- Pie, Bar, and Line Charts
- Football Fields

The PowerPoint Interface

- Navigating the Slide Master

Tips & Tricks

- Version Control
- Tracking & Completion of Comments

Storyboarding

- Identify the main theme
- Slide structure
- Delegate responsibilities for components

Investment Banking Foundations - Program Overview

Prep work

Productivity

Basic

Mastery

Financial Statement Modeling

Income Statement

- Historical Income Statement, Drivers & Projections

Working Capital, PP&E, and Intangibles

- Historical BS, Receivables, Inventories, Prepaid Expenses, Payables & Accrued Liabilities

The Cash Flow Statement

- Cash Flow From Operations & Investing, Equity Schedule, Calculating Dividends & Stockholder Equity

Debt & Interest Schedule

- Cash from Debt Paydown, Long Term Debt, Revolver
- Interest & Circularity

Finishing The Model

- Historical Basic Shares & Dilutive Securities, EPS Calculation, Share Repurchase, and Option Proceeds
- Scenario and Sensitivity Analysis

DCF Modeling

Enterprise Value and Equity Value

- Moving from Equity Value to Enterprise Value
- What Effects EV

DCF Fundamentals

- Unlevered vs. Levered FCF
- Calculating NWC
- Sample Ratios and Projection Drivers
- Locating relevant information
- Terminal Value

WACC Overview

- Intro to CAPM
- Unlevered Beta Calculation

NPV of Future Cash Flows

- Deriving Share Price from the NPV of Future Cash Flows
- Fully Diluted Shares Outstanding
- Impact from Options & Warrants
- Sensitivity Analysis

Relative Valuation

Enterprise Value & Equity Value

- What Affects Enterprise Value?
- Value Multiples
- Structure Independence
- DCF vs Comps

Trading Comps Setup & Benchmarking

- P&L Terminology and Item Impacts, Commonly Used EV Multiples
- Selecting a Universe of Comparables
- Benchmarking & Determining the Valuation Through Comparable Analysis
- FDSO

Precedent Transactions

- Screening for & Selecting the Universe of Precedent Transactions
- Synergies
- Deal-Specific Dynamics
- Football Field
- Non-GAAP Adjustments

Investment Banking Foundations - Program Overview

Prep work

Productivity

Basic

Mastery

Advanced Accounting

Deferred Taxes

- Intro to Deferred Taxes
- Deferred Tax Liabilities and Assets
- Book vs. Tax Basis

Net Operating Losses (NOLs)

- NOLs and Valuation Allowance

Stock-Based Compensation

- Stock Options
- Restricted Stock

Intercompany Investments

- Types of Investments
- Equity Method and NCI

Lease Accounting

- US GAAP vs IFRS
- ROU and Lease Liabilities
- Liability Roll-Forward

Debt Accounting

- PIK, OID, Capitalized Interest, and OIP

M&A Modeling

M&A Intro

- The Big Picture
- M&A Players and Process
- Types of M&A Transactions
- Pitchbooks

Buyside Processes

- Stages of Buyside Process
- Agreement on Price, Transaction Closing

Sellside Processes

- Stages of a Sellside Process
- Assessment and Process Set up
- Buyer Meetings and Diligence
- Agreement on Price, Transaction Closing

M&A Model

- Model Setup
- Simplified Analysis
- Detailed Analysis
- Accretion/Dilution Analysis

LBO Model

Valuation and Transaction Assumptions

- Enterprise Value to Equity Value
- Adjusted EBITDA
- Acquisition Multiple

Sources and Uses

- Debt Tranche Overview
- Leverage Ratios
- Revolver, Term Loans, Mezzanine Financing, and Preferred Stock

P&L Projections & LBO Adjustments

- Key Changes to the P&L and Linking the Income and Cash Flow Statements

Debt Schedule

- Revolver, Tranches, and Interest Expense
- Financing Fees & OID
- Circularity

Balance Sheet and Adjustments

- Linking CAs and CLs, PP&E, Intangibles, Goodwill, Deferred Financing Fees

Appendix III

Sample Agendas

IB Intern Program – 1 Week Sample Agenda

	Day 1	Day 2	Day 3	Day 4	Day 5
Week 1	Excel Modeling Advanced PowerPoint	Accounting Basics FSM	Relative Valuation DCF Modeling	DCF Modeling M&A Modeling	LBO Modeling Advanced Concepts

Some of the topics covered

Excel Modeling:

- Navigation Shortcuts
- Efficiency Foundation
- Graphs and Tables

Advanced PowerPoint:

- Objects and Lines
- Graphics and Diagrams
- Storyboarding

FSM:

- Modeling best practices
- 3-statement modeling
- Debt Schedule

DCF Modeling:

- Normalizing financials
- WACC
- Football field

Relative Valuation:

- Valuation Theory
- Intrinsic vs Relative Value
- Enterprise vs Equity Value
- Normalizing Financials
- Trading Comps
- Transaction Comps
- Benchmarking

M&A Modeling:

- Buyside Process
- Sellside Process
- Accretion/Dilution
- Sensitivity Analysis

LBO Modeling:

- Short and long-form LBO
- Waterfall modeling
- NOL

IB Analyst Program – 2 Week Sample Agenda

	Day 1	Day 2	Day 3	Day 4	Day 5
Week 1	Excel Modeling Advanced PowerPoint	Financial Statement Modeling (FSM)		Valuation Theory and DCF Modeling	
Week 2	Transaction and Trading Comps	M&A Modeling	Advanced FSM and Accounting		Advanced LBO Modeling
Week 3 (Optional)	Live Deal Simulation centered on Client Deal				

Some of the topics covered

FSM:

- Modeling best practices
- 3-statement modeling
- Debt Schedule

DCF Modeling:

- Normalizing financials
- Precedent vs trading comps

Spreading Comps:

- Valuation Theory
- Intrinsic vs Relative Value
- Enterprise vs Equity Value
- Normalizing Financials
- Trading Comps
- Transaction Comps

M&A Modeling:

- Buyside Process
- Sellside Process
- Buyer Meeting and Diligence
- Transaction Assumptions
- Accretion/Dilution
- Sensitivity Analysis

Advanced LBO Modeling:

- Short and long form LBO
- Waterfall modeling
- NOL
- Purchase Price Accounting
- Dividend Recap
- Add-on Acquisition Build

IB Analyst Program – 3 Day Sample Agenda

	Prep Work	Day 1	Day 2	Day 3
Week 1	Excel Basics PPT Basics	Financial Statement Modeling (FSM)	DCF Modeling	Relative Valuation

Some of the topics covered

Excel Basics:

- Navigation
- Efficiency Foundation
- Excel Shortcuts
- Fundamental Concepts
- View and Print
- Formulas and Functions
- Charts and Tables

FSM:

- Incomes Statement
- Working Capital and PPE
- Intangibles
- Cash Flow Statement
- Debt and Interest Schedules
- Basic and Dilutive EPS
- Scenario Analysis

DCF Modeling:

- Enterprise Value
- Equity Value
- DCF Fundamentals
- Levered vs Unlevered FCF
- WACC and CAPM
- Net Present Value
- Impact of Options + Warrants

Relative Valuation:

- Valuation Theory
- Intrinsic vs Relative Value
- Enterprise vs Equity Value
- Normalizing Financials
- Trading Comps
- Transaction Comps
- Benchmarking

Appendix I

Case Studies

3-Day Analyst Training Program

Client Needs



A **boutique investment bank** in SF wanted to train four incoming analysts out of undergrad.

- The bank primarily focused on **tech M&A deals** and was looking for a program that would provide their new analysts with foundational financial modeling skills and requested we incorporate firm-specific retention models.
- They were looking to **standardize their analyst onboarding** and training process. They also wanted the course materials + prep work to be available after the live sessions for the analysts to reference.

Approach



3-Day live virtual training program covering financial modeling and firm-specific retention models.

- Assigned **online prep work** prior to live virtual sessions allowing training to be fully prepared and engaged.
- We connected with senior management prior to the sessions to discuss the **SaaS retention models**, and our core financial modeling courses (Excel, Financial Statement Modeling, Valuation) that we delivered.
- Provided senior employees with access to the **admin dashboard** to track employee progress. Trainees were given access to the materials after the live sessions for reference on the job.

Impact



- **Shortened/virtual program** kept training costs, resource tie-up, and disruption to a minimum.
- After the private training was completed, the firm **renewed for their next class** of Analysts.
- Helped the small bank to start **critical data collection** on new employee performance, allowing them to benchmark, identify and modify needs for continuing education.

5-Day Intern Training Program

Client Needs



An **MM investment bank** in NYC wanted to train 12 incoming interns that were joining the team for the summer.

- Due to suboptimal learning environments during Covid, the firm recognized there would be a **large skill gap** across their intern class.
- The firm was looking to **provide an in-office training program** for interns to get exposure early on and develop skills that would allow them to take part in impactful work.

Approach



5-Day in-office training program that covered both foundational modeling & productivity skills.

- Assigned **online prep work** prior to the internship start date allowing trainees to be fully prepared and engaged with a baseline knowledge level.
- Started the training with **productivity-based courses** (Excel & PPT) to ensure trainees were proficient in the tools they will be spending most of their time in.
- Provided senior employees with access to the **admin dashboard** to track employee progress & set due dates on the prep work while reviewing assessment scores on the content covered in the live sessions.

Impact



- Interns gained exposure to various types of financial modeling & valuation methods and came out of the training with skills that allowed them to be **efficient in their day-to-day tasks**.
- Associates & Vice Presidents benefited from a more proficient intern class. All interns were able to **efficiently prepare** pitch decks and valuation models within a few weeks, instead of a few months.
- Once the sessions were completed, the client immediately **renewed for the following year** to onboard their next class of interns. We were also asked to return at the end of the summer to ramp up incoming full-time analysts.

10-Day Analyst + Associate Training Program

Client Needs



An **MM investment bank** in Chicago was interested in a customized training program for 6 new analysts & 5 new associates on financial modeling & valuation.

- Tailored to the specific industry the bank mainly focused on (Industrials)
- Trainees were both newly hired analysts & associates that were just recently promoted.
- Instructor needed to manage varying levels of experience to ensure all trainees would benefit.

Approach



10-Day in-office training program covering foundational and advanced modeling

- **Week 1 was for new analysts** only and covered Excel Modeling, Advanced PowerPoint, Financial Statement Modeling (FSM), DCF Modeling, and Valuation theory.
- **Week 2 was for analysts and associates** and covered Advanced LBO Modeling, M&A Modeling, and Advanced Financial Statement & Valuation Modeling.
- **Customized the training** based on two of the firm's successful M&A mandates.

Impact



- Received **outstanding reviews** in our follow-up survey that was delivered to all 11 trainees after the program was completed. All of them scored over 85% on the post-session assessments.
- Given the success of the customized sessions, we were **re-engaged to deliver a custom training** session covering the advanced FSM builds to all current analysts & associates.
- Analysts that were hired out of undergrad performed better on modeling assessments when **benchmarked to their previous class**.

Appendix IV

Sample Materials

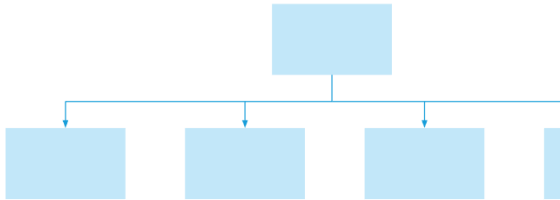
PowerPoint for Finance

Using Lines & Shapes to Create Connected Diagrams

Lesson 3.10

Hierarchy Diagrams

- Using a connector, a line with connection points at each end that stays connected to the shapes you attach it to, you can show hierarchies and other important relationships between objects. These lines come in straight, angled or curved and can be connected on specific "dots" that appear on each shape

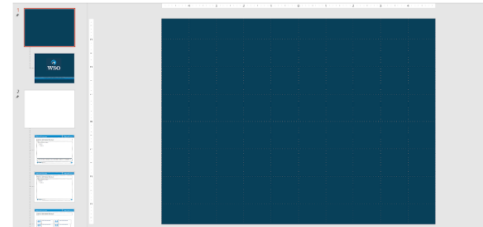


Navigating the Slide Master

Lesson 2.3

Slide Master View

- The slide master represents a hierarchy of slides that stores information about the slide layouts of a presentation
 - This view is essentially the base "template" for the slide deck and ensures consistency across all similar slides
 - This function is very helpful for setting up basic slides that you'll use over and over again
 - Some helpful shortcuts include:
 - o ALT + W + M to enter Slide Master Mode and ALT + M + C to close Slide Master Mode
 - o ALT + H + Q to reset the slide layout



Financial Statement Modeling

Introduction to Financial Statement Modeling: Refresher

Financial Models: What end result are we working towards?

Financial Statement Model for NIKE, Inc.

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	20,200	21,000	21,700	22,400	23,100	23,800	24,500	25,200	25,900
Operating Profit	3,500	3,800	4,100	4,400	4,700	5,000	5,300	5,600	5,900
Net Income	2,800	3,000	3,200	3,400	3,600	3,800	4,000	4,200	4,400
Free Cash Flow	2,500	2,700	2,900	3,100	3,300	3,500	3,700	3,900	4,100

Selected outputs only – let's get started!

WSO

Introduction to Financial Statement Modeling: Refresher **Module 10**

The Three Financial Statements

Income Statement **Cash Flow Statement** **Balance Sheet**

- Interest expense
- Net Income
- D&A
- Cash
- Changes in NWC
- Capex
- Net Debt
- Equity

1 – Financial Statements are interconnected
2 – Creating a three statement operating model is a critical skill to master for countless IBD exercises (Valuation, M&A, ALF, DCM, ECM, Business Plans, etc.) but also PE, Equity Research, VC, Business Development and Consulting!

WSO 31

DCF Modeling

Valuation Wrap-Up Module 21

Putting It All Together 🏆🏆🏆

Sample Football Field Across Valuation Methodologies

Methodology	Value (\$)
Trading Comp	90.00
Precedent Transactions - Multiple	75.00
Precedent Transactions - Premium Paid	120.00
DCF - Base Case (Bus ONLY)	115.00

WSO

Module 20A
Example for reference only!

DCF Intro

Example: EV and Equity Value based on LFCF

On the other hand, the PV of a Levered DCF is Equity Value, so add debt/other financial obligations and subtract excess cash/non-core assets to derive Enterprise Value

Use the assumptions below to calculate EV and Equity Value:

- Assume current date is 12/31/2019
- All future cash flows come in on 12/31 of each following year
- Levered Free Cash Flows:**
 - 2020: \$50mm
 - 2021: \$75mm
 - 2022: \$150mm
 - 2023: \$250mm
 - 2024: \$450mm
- Cost of Equity: 15%
- PV of Terminal Value: \$2.5bn
- Debt of \$1bn; \$250mm of NCI
- Cash: \$350mm

Assumptions	2020	2021	2022	2023	2024
Start Year	2020				
Cost of Equity	15%				
PV of TV	\$2,500				
Cash Flows		50	75	150	450
Present Value (PV)		43	57	99	224
PV of Cash Flows				565	
PV of TV				2,500	
Total Equity Value					\$3,065

$= 150mm / (1+15\%)^1$

Component	Value (\$)
Equity Value	3,065.0
Total Debt	1,000.0
Non-Controlling Interest	250.0
Cash	350.0
Enterprise Value	3,965.0

WSO 101

Valuation Modeling

Trading Comps Setup Module 18B

Locating Relevant Financial Information for the Comp Set

Key info. analysts used to prepare trading comps (both historical and forward-looking) can be sourced from most recent 10-K, 10-Q, 8-K, press releases, equity research, etc.

Income Statement Data	Balance Sheet Data	Cash Flow Statement Data	Share Information
<ul style="list-style-type: none"> Sales Gross Profit EBITDA EBIT Net Income and EPS 	<ul style="list-style-type: none"> Cash Balances Debt Balance Shareholder's Equity 	<ul style="list-style-type: none"> Depreciation & Amortization Capital Ex 	<ul style="list-style-type: none"> Basic Shares

Forward-looking research estimates for the metrics above can also be found in consensus or individual equity research reports

WSO

Valuation – The Big Picture Module 16


The Home Purchase Example

You'll move back and forth between **Equity Value** and **Enterprise Value** all the time when analyzing companies or assets. Take the example below for context:

- You are purchasing a \$1 million house, 20% funded with your own money (the "Equity") and 80% funded with a mortgage (the "Debt")
- The seller of the home left a small tractor in the yard. As you don't have a need for the tractor, you will sell it after closing on the house purchase
- The housing structure and land represent the core of the housing asset. The tractor represents a non-core asset that mortgage lenders aren't entitled to

Equity Value

- Equity Value** represents the portion of the home's purchase price that wasn't funded by the Mortgage (i.e. your \$200K down payment)
- Includes any potential value from the sale of non-core asset (tractor)



Enterprise Value

- Enterprise Value** represents the value of the core parts of the house to both you (the equity investor) and the mortgage lender (i.e. \$1mm)
- Includes value of the mortgage, but excludes non-core items like the tractor (similar to excess cash for a company)

WSO 61

M&A Modeling

Sellside Accretion / Dilution Module 22C

Calculating Accretion/Dilution

- To calculate accretion/dilution, you follow similar steps to the prior example, though this time you have stripped out the relevant units and reduced shares as relevant

	2019A	2020A	2021P	2022P	2023P	2024P
271	Shares Outstanding and Accretion/Dilution Analysis					
272						
273						
274						
275	1,544	915	908	942	955	
276	0	0	0	0	0	
277	18	18	18	18	18	
278	(647)	(5)	(5)	(5)	(5)	
279	1,544	915	908	942	955	959
280	75	75	75	75	75	75
281	1,618	990	1,003			
282						
283						
284		33.0x	33.0x			
285		\$102.30	\$104.25			
286		647	5			
287						
288						
289		\$3,059	\$3,169			
290		990	1,003			
291		\$3.10	\$3.16			
292						
293						
294		4,029	4,282	4,534		
295		\$2.49	\$2.68	\$2.87		
296		1,618	1,597	1,579		
297						
298		\$3.10	\$3.16			
299		\$2.88	\$2.87			
300		\$0.42	\$0.29			
301		15.6%	10.0%			
302		(798.7)	(541.6)			

WSO

M&A Players and the Creation of M&A Processes Module 22A

Example!

Sell-side Engagements

- M&A sell-side auction (~3-5 months)

```

    graph TD
      A[Pitching and mandate] --> B[Pre-marketing]
      B --> C[Auction Round 1]
      C --> D[Auction Round 2]
      D --> E[Signing]
  
```

Stage	Description	Duration
Pitching and mandate	Exit considerations, likely buyers, value-add of firm	(~1 month)
Pre-marketing	Teaser preparation, first touchpoint with potential buyers	(~1-2 months)
Auction Round 1	Info Memo, summary CVDDs released after NDA	(~1 month)
Auction Round 2	Management Presentation, full CVDDs released, Q&A	(~1 month)
Signing	Binding offers, SPA negotiations, final agreements	(~2 weeks)

WSO 100

LBO Modeling

Sources and Uses: The Theory
Module 25

Overview of Sources

Sources of Cash in an Acquisition

- **Excess Cash**
 - = Cash on Balance Sheet - Minimum Cash
 - Some associates will list Balance Sheet Cash as a Source and Minimum Cash as a Use. The impact is the same
 - Minimum cash tends to be ~2 months of SG&A expense or 4% of annual revenue, though this can vary based on company needs and industry dynamics
- **Debt**
- **Equity**
 - Sponsor Equity
 - Management Rollover
 - Minimum of 30% though growth in deal multiples has pushed actuals higher over the years

Average EBITDA Purchase Price Multiples for US LBO Transactions

Year	Multiple (x)
2001	8.0
2002	9.5
2003	8.0
2004	8.5
2005	9.0
2006	11.5

Equity Contribution US LBOs

Year	Contribution (%)
2001	35
2002	45
2003	35
2004	35
2005	30
2006	30

Source: LCD, an offering

LBO: The Big Picture
Module 23

Debt Paydown and Returns

Analogy: Buying a rental home that generates rental income to pay down your mortgage

T = 0	T = 1	% Return on Equity
<div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 5px;">Home Value = \$200k</div> <div style="margin-bottom: 5px;"> </div> <div style="display: flex; justify-content: space-between; width: 80%; font-size: small;"> Equity = \$100k (Down Payment) Mortgage = \$100k </div> </div>	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 5px;">Home Value = \$250k</div> <div style="margin-bottom: 5px;"> </div> <div style="display: flex; justify-content: space-between; width: 80%; font-size: small;"> Equity = \$200k Mortgage = \$50k </div> </div>	

Rental Income \$50k

Cash flows generated can further magnify returns by either accruing cash or paying down debt

201

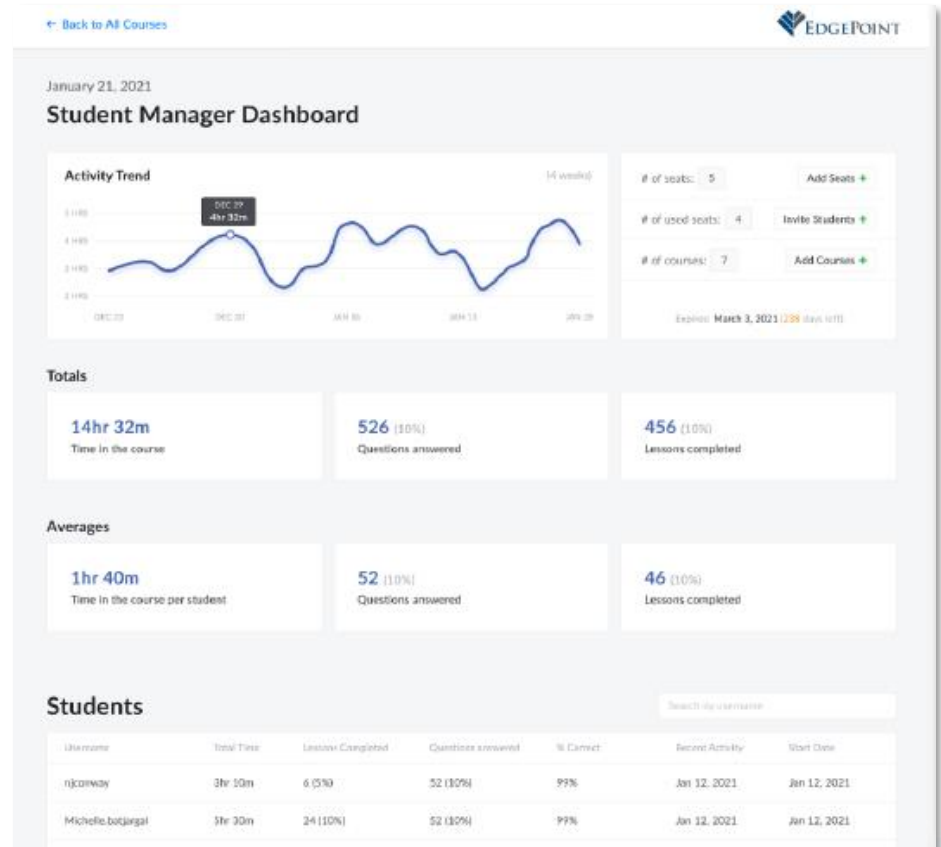
Appendix V

Beyond The Classroom

Progress Dashboard

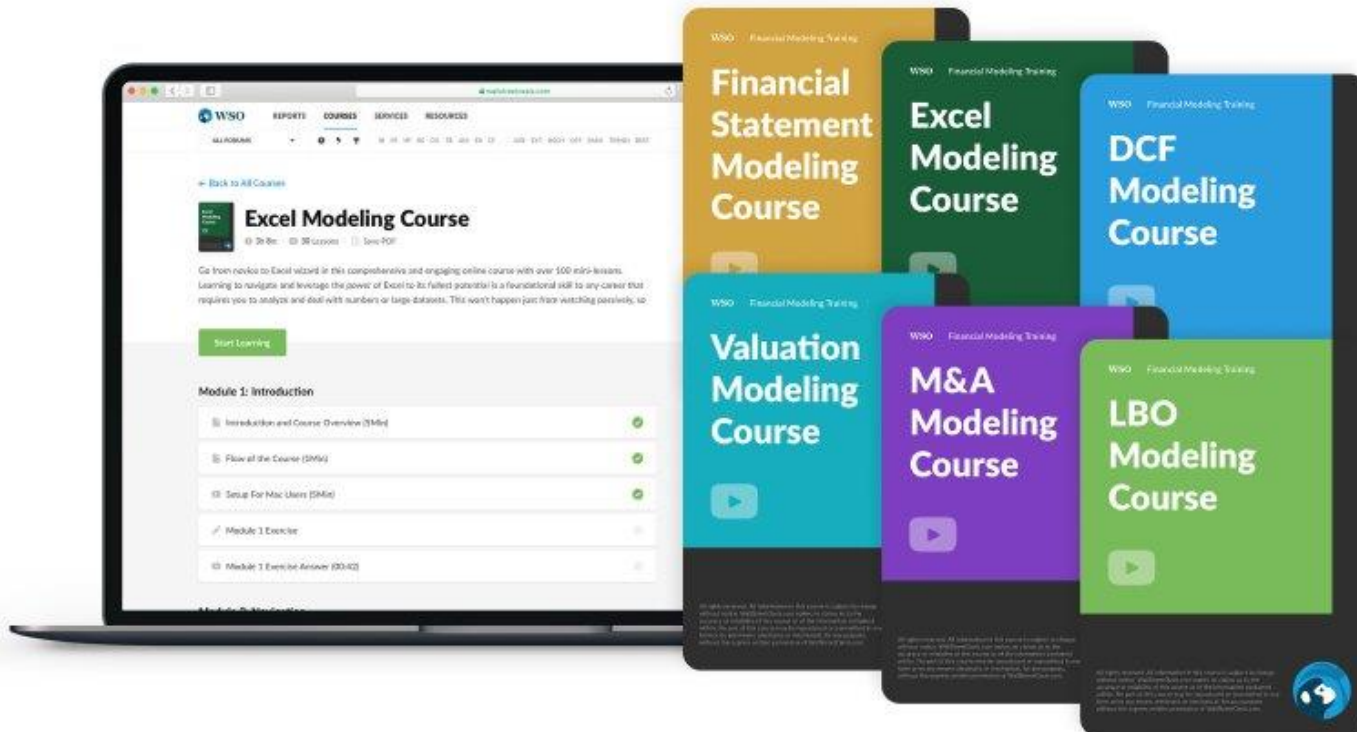
Track your team's progress

- Track time spent in the course
- Track % of lessons completed
- Track % of quiz questions answered correctly
- Assign due dates
- Invite new employees/interns
- Benchmark to older employees



Post Training Course Access

Lifetime online course access to encourage learning and review beyond the classroom.



Next Steps



Book a Call at <https://calendly.com/wallstreetoasis/10-min-wso-training-li>

or

Email us at Licenses@WallStreetOasis.com

